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## How traceability is vital for maximising value in hides



By [Victoria Nugent](#)

April 18 2024 - 1:00pm



Work is underway to increase traceability within the hides industry. Picture supplied.

Improving traceability within the leather industry could prove a vital step in boosting prices but more work needs to be done before the sector meets European expectations.

A pilot traceability study carried out in 2022 at the Geelong Leather Culcairn facility successfully implemented the first inline stamping and tracing system for cattle hides, with the tannery now able to pass on traceability information tracing individual hides to Victorian local government areas.

But Geelong Leather managing director and Australian Hide Skin and Leather Exporters Association director Andrew Hassall said new

anti-deforestation legislation being rolled out by the European Union meant it was important to build the capacity to trace hides to birth farms.

"In Australia we have the NLIS system which makes us world leading," he said.

"We supply a lot of big fashion brands and their massive focus at the moment is all about traceability, whether it's deforestation right through to all the other issues that traceability helps solve.

"With the deforestation issue, we will basically lose access to European markets if we're not able to trace it right back.

"If we don't have this progressed, there will be a generic market for a base price in China or there will be a premium market in Europe.

"Whether it's for top-end BMW and Audis or Gucci and Prada handbags or a top pair of shoes... if you've got traceability that market will pay more for it and the farmer will benefit."

Mr Hassall said at the moment the hide industry is unable to access NLIS data to take their traceability to the next level.

"We're hoping we will get there, I think work has been done on it but there are a lot of issues around privacy," he said.

"If you went and bought a nice Gucci handbag, the farmer that grew that animal may not want you to know where it came from.

"While the NLIS is fantastic there are probably going to have to be options to opt in and opt out about privacy... but those things are so far down the track yet, we'll address them in time."

It comes as hide prices continue to slide across Australia's eastern states, with shoe leather in particular remaining stagnant while prices for good quality hides for other leather goods are somewhat steadier.

Whiles hides hit \$48.50/kg in Victoria in July 2021 off the back of COVID, since then things have fallen significantly with a current top of \$22.75 in Victoria.

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with less demand for leather goods and cars.

"After the peak of the post-COVID frenzy of buying there has obviously been an economic slowdown in clothing and leather accessories," he said.

"After COVID, lack of supply pushed prices high and everyone was spending a lot on fashion goods and accessories where hides are used, so it was a perfect dynamic where demand was high and supply was low.

"Now we're obviously in a situation where production has increased in Australia but there is also more supply globally... from a demand perspective cost of living has impacted demand for cars and for luxury fashion and accessories."

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